

AGENDA

ASSEMBLY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE

Assembly Member Kevin McCarty, Chair

**TUESDAY, MAY 21, 2019
9 AM, STATE CAPITOL, ROOM 447**

HIGHER EDUCATION GENERAL FUND

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VOTE-ONLY ITEMS

0650 OFFICE OF PLANNING AND RESEARCH

VOTE-ONLY ISSUE 1: HIGHER EDUCATION INNOVATION GRANTS

The Governor's Budget proposes \$10 million one-time General Fund to support grants to educational institutions in the San Joaquin and Inland Empire regions to increase college-going and reduce achievement gaps.

This proposal is vague and redundant. This funding could be used to support the Cal SOAP program, which has similar goals and is under-resourced.

Staff Recommendation: Reject the Governor's Budget proposal

VOTE-ONLY ISSUE 2: LONGITUDINAL DATA SYSTEM

The Governor's Budget proposes \$10 million one-time General Fund to the Department of Education to create the Cradle to Career Data System. Trailer bill language creates a workgroup of Governor's appointees to be led by the state Board of Education. The workgroup would assess current data systems, recommend data system expansion and functionality, and advise ongoing efforts to develop, administer and enhance the new data system. Funding would be spent on contractors for the workgroup, segments to work on data matching, and the system itself upon approval of a plan by the Department of Finance.

Staff recommends several changes to the Governor's proposal, which conforms to Senate action:

Reject proposal and replace with placeholder trailer bill language to require the Governor's Office of Planning and Research to establish a Statewide Longitudinal Data System workgroup. Specified education agencies and segments, and workforce, health, and technology agencies shall each designate appropriate participants. An advisory group made up of stakeholders shall be established to provide additional feedback. Include regular progress reporting to the appropriate policy and fiscal committees of the Legislature, the Department of Finance, and the Governor. The implementation timeline shall prioritize completion of the data system in the following order: Phase 1: K-12 and higher education, Phase 2: Workforce, Phase 3: Early Care and Education and, Phase 4: Health, Human Services, and Other Data Connections. Require CCC, UC, and

CSU to collect and integrate the Statewide Student Identifier into data systems by the 2020-21 school year. Provide a total of \$10 million: \$2.3 million in funding for initial activities, release the remaining funds for implementation upon completion of an expenditure report and notification to the JLBC.

Staff Recommendation: Reject Governor's Proposal, approve \$10 Million one-time General Fund to OPR and placeholder trailer bill language

6120 CALIFORNIA STATE LIBRARY

VOTE-ONLY ISSUE 3: ZIP BOOKS

The Governor's Budget proposes \$1 million, one-time local assistance General Fund appropriation for the Zip Books project, which provides for easily accessible online purchasing and convenient shipping of library books to ensure timely and cost-effective access to information in California's hard-to-reach and underserved communities.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 4: LUNCH AT THE LIBRARY

The Governor's Budget proposes \$1 million one-time General Fund to support the Lunch at the Library program. This funding will be distributed as follows: \$675,000 for local library grants start-up costs, \$210,000 for program staff, \$25,000 for conference travel and supplies, and \$90,000 for overhead.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 5: STATE GRANTS WEB PORTAL

An April Finance Letter proposes \$641,000 General Fund in 2019-20 and \$391,000 in 2020-21 and ongoing to implement AB 2252 (Limon, Chapter 318, Statutes of 2018). AB 2252 required the California State Library to create a funding opportunities Internet Web portal that provides a centralized location for grant seekers to find state grant opportunities, as specified.

Staff Recommendation: Approve the April Finance Letter

VOTE-ONLY ISSUE 6: LGBTQ HISTORICAL PRESERVATION

The May Revision proposes \$500,000 one-time to provide support for the preservation of historical LGBTQ sites.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 7: MOBILE LIBRARIES

The May Revision proposes \$3 million one-time General Fund to support grants to local library jurisdictions to acquire bookmobiles and vans. According to the State Library, on average book mobiles cost approximately \$250,000 each and community outreach vans cost \$33,000 each. Grants will be targeted toward local library jurisdictions with low per capita library spending, jurisdictions serving underserved and underrepresented communities, those with the most credible plans for ongoing sustainability of mobile library assets, and those with highest demonstrated need based on geographic and demographic factors.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 8: CALIFORNIA STATE LAW LIBRARY ACCOUNT SUNSET EXTENSION

The May Revision proposes trailer bill language to extend the sunset date for the revenue transfer supporting the California State Law Library Special Account from January 1, 2020 to January 1, 2025.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 9: EARLY LEARNING AND AFTER-SCHOOL PROGRAMS

The May Revision proposes \$5 million one-time General Funds provide grants for early learning and after school programs to library jurisdictions with low per capita library spending.

Staff Recommendation: Approve the May Revision proposal

**VOTE-ONLY ISSUE 10: DIGITIZATION AND CULTURAL PRESERVATION
ACTIVITIES**

The May Revision proposes \$1,737,000, of which \$700,000 is one-time, to support 3 positions that would establish a team providing digital concierge archival services for state entities and conduct a statewide survey to inventory cultural heritage assets. With these funds, the State Library would be able to preserve important recordings, government documents, maps, and other items of cultural significance and create a census of thousands of rare books, film, photographs, and other artifacts to ensure these items are cared for and housed appropriately.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 11: ORAL HISTORIES

The Governor's Budget provides \$250,000 ongoing General Fund for the Oral Histories Program. Additionally, the Subcommittee has discussed a project that could be undertaken by this program to document the history of legislative caucuses. The State Librarian has indicated this project could cost about \$75,000.

Staff Recommendation: Provide \$75,000 one-time General Fund to support an oral history project regarding the legislative caucuses

6440 UNIVERSITY OF CALIFORNIA

VOTE-ONLY ISSUE 12: REAPPROPRIATION OF FUNDS

The 2018-19 budget provided \$2 million for faculty diversity efforts. These funds expire on June 30, 2019. However, UC cannot encumber these funds prior to June 30, 2018, because the faculty contracts don't start until July 1, 2019. Also, some of the funds are going towards start-up packages, which means laboratory renovation, equipment purchases, etc., all of which would be after the faculty member starts at the UC. UC received \$500,000 in the Budget Act of 2018 for the California Vector-Borne Disease Surveillance Gateway. These funds are intended to pay for one year of study and surveillance. UC provided these funds to UC Davis, where the faculty member working on this issue is housed. The funds expire on June 30, 2018, but UC indicates it needs 6 more months to expend the funds.

Staff Recommendation: Approve budget bill language to reappropriate faculty diversity funds until June 30, 2022 and California Vector-Borne Disease Surveillance Gateway funds until June 30, 2021.

VOTE-ONLY ISSUE 13: PROGRAMS REPORT

Section 92010 of the California Education Code states that by April 1 of each year, the University of California is requested to report to the Legislature on the systemwide and presidential initiatives of the university. The report is requested to include all of the following: (1) A description of each initiative and a justification for the initiative that explains how it furthers the mission of the university. (2) The total expenditures from the previous fiscal year for each initiative, including carryover funds. (3) The revenue sources for each initiative. (b) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

The University has changed its definition of systemwide initiatives, and the report provided to the Legislature in April 2019 only included presidential initiatives. The statute should be amended to include programs, as well as initiatives, to allow the Legislature a broader understanding of UC spending.

Staff Recommendation: Approve placeholder trailer bill language to include UC programs in the annual report on systemwide and presidential initiatives

VOTE-ONLY ISSUE 14: TOBACCO-RELATED DISEASE RESEARCH ADJUSTMENT

The May Revision proposes an increase of \$1.27 million to align with revised estimates of available funding within the Research Account, Cigarette and Tobacco Products Surtax Fund. The revised appropriation is \$11.44 million.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 15: FIREARMS VIOLENCE RESEARCH CENTER

The Governor's Budget assumes \$1 million ongoing General Fund to support the UC Davis Firearms Violence Research Center beginning in 2021-22, once one-time funding expires.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 16: IMMIGRATION LEGAL SERVICES

The Governor's Budget assumes \$1.3 million ongoing General Fund to support immigration legal services beginning in 2021-22, once one-time funding expires. The May Revision updates the assumed out-year costs to \$1.7 million per year.

Staff Recommendation: Approve the May Revision proposal

6600 HASTINGS COLLEGE OF LAW

VOTE-ONLY ISSUE 17: BASE OPERATIONS INCREASE

The Governor's Budget proposes a \$1.4 million General Fund ongoing increase to Hastings budget. The Governor links the General Fund augmentation to an expectation that Hastings not increase tuition in 2019-20.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 18: UC PATH

The May Revision provides an increase of \$594,000 to support the implementation of the UC Payroll, Accounting, Timekeeping, and Human Resources system (UC PATH). UC PATH is a UC program to implement a single payroll, benefits, human resources and academic personnel solution for all UC employees. The intent is to standardize and streamline payroll and human resources processes systemwide. The 2018-19 budget provided Hastings \$1.45 million to implement UC PATH, with an unexpended balance of \$429,634. As a result of project delays additional costs have occurred. Hastings was scheduled to deploy the program in January 2020, however, no UC has announced Hastings will deploy on March 1, 2020. The May Revision is requesting additional support because Hastings does not have the sufficient financial capacity to absorb this expense. The May Revision brings total funding in 2019-20 to \$1.02 million.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 19: DEFERRED MAINTENANCE

The Governor's Budget provides \$1 million one-time General Fund for deferred maintenance. The May Revision amends the BBL specifying that in addition to deferred maintenance projects, this funding is also available for replacement of instructional equipment and technology. However, should Hastings use this funding for instructional equipment or technology it shall not be used for personal services costs or operating expenses.

Staff Recommendation: Approve the May Revision proposal

6610 CALIFORNIA STATE UNIVERSITY

VOTE-ONLY ISSUE 20: VESTING LANGUAGE

The May Revision proposes trailer bill language to align the vesting period for the United Auto Workers (CSU Bargaining Unit 11) CSU employees' health and dental benefits with recently approved collective bargaining agreements with the employees. Specifically, the proposal increases the vesting period for retiree health and dental benefits for new employees hired after July 1, 2019 from five years to ten years.

Staff Recommendation: Approve the May Revision trailer bill language

VOTE-ONLY ISSUE 21: RETIREE CENSUS DATA

The May Revision proposes trailer bill language to authorize the California Public Employees Retirement System to provide retiree census data to the CSU to enable CSU to contact the employees to inform them about benefits (dental, vision, and group legal services) available to them during the open enrollment period. This authority is currently available to the Department of Human Resources. Sensitive personal information will not be exchanged.

Staff Recommendation: Approve the May Revision trailer bill language

VOTE-ONLY ISSUE 22: CAPITAL OUTLAY TRAILER BILL LANGUAGE

The Governor's Budget proposes trailer bill language to allow CSU to apply remaining proceeds, approximately \$11 million, from its share of four General Obligation bonds towards CSU Los Angeles- physical sciences building renovation project. The proceeds are from the 1996, 2002, 2004, and 2006 Higher Education Capital Outlay Bond Funds. This project was selected by the Administration to address fire life safety and code deficiencies at the facility, including outdated elevators and inadequate fire alarm and suppression systems.

Staff Recommendation: Approve the Governor's Budget proposal

6980 CALIFORNIA STUDENT AID COMMISSION

VOTE-ONLY ISSUE 23: FINANCIAL AID PROGRAM ADJUSTMENTS

The May Revision includes multiple adjustments to the CSAC budget due to caseload and cost updates. The adjustments include:

Cal Grant Program. It is requested that Item 6980-101-0001 be decreased by \$14,017,000 and reimbursements be decreased by \$5,921,000 to reflect the impacts related to the Cal Grant program as follows:

- A decrease of \$19,938,000 in fiscal year 2019-20 to reflect: (1) an estimated decrease in the number of new recipients in 2018-19, which decreases the estimates of renewal students in 2019-20, and (2) the revised estimate of new recipients in 2018-19 is used as the new base for estimates of new recipients in 2018-19, with growth applied.
- An increase of \$5,921,000 General Fund in 2019-20 to reflect expenditures that can be funded with Temporary Assistance for Needy Families (TANF) resources. A corresponding decrease of \$5,921,000 in reimbursement authority from available TANF resources.

Compared to the Governor's Budget, there are decreased costs of \$4,953,000 in 2018-19 to account for an estimated decrease in new recipients.

California Military Department GI Bill Award Program. It is requested that Item 6980-101-001 be amended by increasing reimbursements by \$118,000 to reflect a change in the agreement between the Student Aid Commission and the Military Department. Compared to the Governor's Budget, there are decreased costs for the program of \$13,000 in 2017-18.

Law Enforcement Personnel Dependents Scholarship Program. It is requested that Item 6980-101-0001 be increased by \$26,000 to reflect changes consistent with revised estimates of costs of the LEPD Program. Compared to the Governor's Budget, there are decreased costs for the program of \$9,000 in 2018-19.

Assumption Program of Loans for Education (APLE). It is requested that Item 6980-101-0001 be decreased by \$265,000 to reflect changes consistent with revised estimates of costs of the APLE Program. Compared to the Governor's Budget, there are decreased costs of \$590,000 in 2018-19.

State Nursing Assumption Program of Loans for Education (SNAPLE). It is requested that Item 6980 101 0001 be decreased by \$46,000 to reflect changes consistent with revised estimates of costs of the SNAPLE Program.

Middle Class Scholarship Program. It is requested that Item 6980-101-0001 be increased by \$4,398,000 to reflect changes consistent with revised estimates of costs of the Middle Class Scholarship Program. Compared to the Governor's Budget, there are increased costs for the program of \$33,000 in 2017-18 and \$4,080,000 in 2018-19.

It is also requested that trailer bill language transmitted with the Governor's Budget be amended to reflect the following changes:

- For 2017-18, to align with program estimates, the statutory amount is \$99,938,000.
- For 2018-19, to align with program estimates, the statutory amount is \$107,037,000.
- For 2019-20, to align with program estimates, the statutory amount is \$110,248,000. Middle Class Scholarship Program.

Staff Recommendation: Approve the May Revision adjustments

VOTE-ONLY ISSUE 24: GRANT DELIVERY SYSTEM

The Governor's Budget proposed \$6.2 million one-time General Fund for the second year of the implementing the Grant Delivery System. Of this amount, \$5.3 million would go to vendors to develop and test the new system, conduct project management, and provide related staff training. The remaining funds (\$0.9 million) would go toward hardware, initial software licensing, and required services from other state agencies (including CDT for project oversight). CSAC anticipates requesting additional one-time funding in 2020-21 and 2021-22 for any remaining project costs, with a potential future funding request for certain ongoing operational costs.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 25: STATE OPERATIONS SUPPORT

The Governor's Budget proposes \$390,000 General Fund in 2019-20 and \$290,000 General Fund ongoing starting in 2020-21, and an increase of three permanent positions at CSAC. This funding will be divided as follows:

- Support Foster Youth (\$100,000): This item requests \$100,000 one-time General Fund to enable CSAC to make modifications to its current GDS to accommodate the mandates specified in AB 1811 (Committee on Budget), Chapter 35, Statutes of 2018 and AB 1809 (Committee on Budget) Chapter 33, Statutes of 2018, that expanded eligibility for financial aid programs for current and former foster youth.
- Institutional Support (\$220,000): This item requests two positions (Associate Governmental Program Analysts) to strengthen institutional support provided to high school counselors and College Financial Aid analysts. •
- Executive Office Support (\$70,000): This item requests one position (Office Technician) to support the Executive Office.

Staff Recommendation: Approve the Governor's Budget proposal

VOTE-ONLY ISSUE 26: STUDENT LOAN AWARENESS INITIATIVE

The Governor's Budget proposed \$5 million General Fund one-time to the Office of Planning and Research develop an outreach initiative to educate student loan borrowers about their loans, lending practices, and available repayment options. The May Revision proposes BBL to transfer the administration of the initiative to CSAC. The BBL states that the initiative must consist of at least: (1) updating CSAC's website regarding borrowing and repayment options, comparing financial aid packages and other resources, (2) updating training curriculum and materials for financial aid counselors, (3) developing materials for students, (4) developing a student loan awareness partnership network, (5) providing grants to nonprofit organizations to offer debt counseling, (6) developing materials and providing training to the California Student Opportunity and Access Program (Cal-SOAP), and (7) partnering with the State Treasurer's Office on state refinancing programs and public loan forgiveness.

Staff Recommendation: Approve the May Revision proposal

VOTE-ONLY ISSUE 27: PRIVATE NONPROFIT CAL GRANT AWARD

The May Revision proposes trailer bill language to extend the timeframes by one-year for private non-profit postsecondary institutions to meet associate degree for transfer (ADT) admissions to maintain the maximum Cal Grant award of \$9,084. Specifically, the sector must accept at least 2,000 ADTs in 2019-20, 3,000 ADTs in 2020-21, and 3,500 ADTs in 2021-22. Additionally, the trailer bill also amends the deadline for specified reporting requirements by one-year each.

Staff Recommendation: Approve the May Revision proposal

MAJOR ACTIONS

6440 UNIVERSITY OF CALIFORNIA

ISSUE 1: UC BUDGET PACKAGE

The Subcommittee's UC budget package approves many of the Governor's proposals but also supports enrollment growth in 2019-20 that UC has already committed to in the recently-completed admissions cycle. In addition, the package provides permanent funding for UC's successful Equal Employment Opportunity program, provides \$95 million in additional one-time funding, creates a new program to address seismic issues on campuses and begins the process of reducing nonresident enrollment to 10% of the undergraduate student body.

The charts below and narrative summarize the UC package. Other actions are listed in the vote only section.

UC Ongoing Funding

Issue	Governor's Proposal	Assembly Action
Base Increase/Operational Costs	\$119.8 Million Ongoing	Approve
Basic Needs	\$15 Million Ongoing	Approve with budget bill language
Overenrollment (1,000 FTE)	\$10 Million Ongoing	Approve
Student Mental Health	\$5.3 Million Ongoing	Approve, plus \$2 Million Ongoing from Prop 63
Graduate Medical Education	\$40 Million Ongoing	Approve
Rapid Rehousing	\$3.5 Million Ongoing	Approve with placeholder trailer bill language
Academic Quality	\$49.9 Million Ongoing	Reject
2019-20 Enrollment Growth	No Proposal	\$45.3 Million Ongoing to Support 2,500 undergraduates and 1,000 graduates
Faculty Diversity	No Proposal	\$4.6 Million Ongoing to support Equal Employment Opportunity Practices
Total Ongoing	\$243.5 Million	\$245.5 Million Ongoing

UC One-Time Funding

Issue	Governor's Proposal	Assembly Action
\$95 Million One-Time in 2018-19	No Proposal	\$95 Million One-Time
UC Extension Degree Completion	\$15 Million One-Time	Reject
UCSF Dyslexia Center Pilot Program	\$3.5 Million One-Time	Approve with placeholder budget bill language
Deferred Maintenance/Seismic Retrofits	\$138 Million One-Time	\$188 Million One-Time with placeholder budget bill language
Support for UC Retirement Program	\$25 Million One-Time	Approve with placeholder budget bill language
Statewide Database	No Proposal	\$1.9 Million One-Time to maintain the Statewide Database and provide public access to redistricting software
Student Mental Health Services	No Proposal	\$3 Million One-Time from Prop 63
Total One-Time	\$181.5 Million	\$281.4 Million

1. Approves the Governor's Budget proposal to provide \$119.8 million ongoing General Fund to support operational cost increases;
2. Approves the Governor's Budget proposal to provide \$15 million ongoing General Fund to support student basic needs, and adopts budget bill language to require UC to work with the Department of Social Services to assess the effectiveness of CalFresh and other state agencies in addressing student food and housing insecurity. Require UC to report to the Department of Finance and all relevant policy and fiscal committees of the Legislature regarding their findings and recommendations as well as information they learned from their workgroup meetings pursuant to the Welfare and Institutions Code Section 18928 by November 1, 2019. Adopt TBL to require UC to report by March 1, 2020 on use of funds, including the amount distributed to campuses, amount of funds used to address housing insecurity, amount of funds used to address food insecurity, types of programs the campuses invested in, number of Cal Fresh referrals and other resources to address housing insecurity, and outcomes.
3. Approves the Governor's Budget proposal to provide \$10 million ongoing General Fund to support 2018-19 enrollment growth beyond the enrollment target.

4. Approves the Governor's Budget proposal to provide \$5.3 million ongoing General Fund to support student mental health services.
5. Provides \$2 million ongoing and \$3 million one-time of Proposition 63 state administration fund to support student mental health services.
6. Approves the Governor's Budget proposal to provide \$40 million ongoing General Fund to expand graduate medical education and end the shift of Proposition 56 funds.
7. Approves the May Revision proposal to provide \$3.5 million ongoing General Fund to support rapid rehousing, and placeholder trailer bill language defining rapid rehousing, directing campuses to develop agreements with local agencies with rapid rehousing expertise, and allows funding to be spent on rapid rehousing, student assessment, housing-related financial assistance, housing stabilization services, and administrative costs.
8. Rejects the Governor's Budget proposal to provide \$49.9 million ongoing General Fund for academic quality activities.
9. Provides \$45.3 million ongoing General Fund to support 2019-20 enrollment growth, and budget bill language setting enrollment targets of 2,500 additional California undergraduate students and 1,000 graduate students.
10. Provides \$4.6 million ongoing General Fund to support equal employment opportunity practices.
11. Provides an augmentation of \$95 million one-time General Fund.
12. Rejects the Governor's Budget proposal to provide \$15 million one-time General Fund to UC Extension programs to support degree completion.
13. Amends the May Revision proposal to provide \$3.5 million one-time General Fund to the UCSF Dyslexia Center Pilot Program by creating the University of California and California State University Collaborative for Neurodiversity and Learning, with placeholder trailer bill language creating the program.
14. Approves the Governor's Budget proposal to provide \$138 million one-time General Fund to support deferred maintenance projects, and budget bill language to require the Department of Finance to notify the Joint Legislative Budget Committee regarding the list of projects and the associated costs 30 days prior to allocation of funds. Additionally, adopts supplemental reporting language directing UC to submit a report by January 1, 2021 to ensure its academic facilities are well maintained. The maintenance plan shall include estimates of

annual spending, need, total amount of the backlog, and how much it would cost to eliminate the backlog. Additionally, the report shall provide an update regarding seismic safety issues across campuses, the cost to address it, and a timeline and plan on how to address it.

15. Provides \$50 million one-time General Fund to create a seismic retrofit pilot program, and placeholder trailer bill language creating the program. The program will allow campuses to use this funding if they provide philanthropic or other matching funds.
16. Approves the May Revision proposal to provide \$25 million one-time General Fund to address unfunded liability in the UC Retirement Program, but adds budget bill language making this funding contingent on UC agreeing to withdraw its bargaining demand a defined contribution plan be offered to represented employees with currently open contracts.
17. Approves base funding beginning in 2020-21 to allow UC to reduce nonresident enrollment to 10% of the undergraduate student body by 2029-30.
18. Provides \$1.9 million one-time General Fund to maintain the Statewide Database and provide public access to redistricting software.

Staff Recommendation: Approve the UC Budget Package

6610 CALIFORNIA STATE UNIVERSITY**ISSUE 2: CSU BUDGET PACKAGE**

The CSU budget package approves the Governor's Budget proposals to support the Graduation Initiative, enrollment growth, compensation increases and other mandatory cost increases. In addition, the package requires CSU to use \$35 million to support increased hiring of tenure track faculty, provides increased support for Project Rebound, and directs CSU to study multiple sites for a potential new campus.

The charts and narrative summarize the CSU package. Other actions are listed in the vote only section.

CSU Ongoing Funding

Issue	Governor's Proposal	Assembly Action
Graduation Initiative	\$45 Million Ongoing	Approve, plus \$30 Million One-Time
Compensation Increases	\$147.8 Million Ongoing	Approve
2% Enrollment Growth (7,295 FTE)	\$62 Million Ongoing	Approve
Mandatory Cost Increases	\$42.2 Million Ongoing	Approve
Project Rebound	\$1 Million Ongoing	\$3.3 Million Ongoing
Rapid Rehousing	\$6.5 Million Ongoing	Approve with placeholder trailer bill language
Tenure Track Faculty	No Proposal	Approve budget bill language requiring \$35 M to support increased tenure track faculty
Student Mental Health	No Proposal	\$3 Million Ongoing from Prop 63
Total Ongoing	\$307.5 Million Ongoing	\$312 Million Ongoing

CSU One-Time Funding

Issue	Governor's Proposal	Assembly Action
Deferred Maintenance/Child Care Centers	\$247 Million	Approve
Basic Needs Partnerships	\$15 Million	Approve with budget bill and placeholder trailer bill language
Stockton campus study	\$2 Million	\$4 M One-Time and expand scope to include other possible sites
First Star Foster Youth Cohort	\$740,000	Approve
Graduation Initiative	No Proposal	\$30 Million
Student Mental Health Services	No Proposal	\$5 Million One-Time from Prop 63
Total One-Time	\$264.7 Million	\$294.7 Million

1. Approves the Governor's Budget proposal to provide \$45 million ongoing General Fund to support the Graduation Initiative. Adds \$30 million in one-time General Fund to support the Graduation Initiative.
2. Approves the Governor's Budget proposal to provide \$147.8 million ongoing General Fund to support compensation increases.
3. Approves the Governor's Budget proposal to provide \$62 million ongoing General Fund to support 2% enrollment growth, and budget bill language setting enrollment targets of 7,295 additional California undergraduate students.
4. Approves the Governor's Budget proposal to provide \$42.2 million ongoing General Fund to support mandatory cost increases.
5. Provides \$3.3 million ongoing General Fund to support Project Rebound. This conforms to action taken in Assembly Budget Subcommittee No. 5 on Public Safety.
6. Approves the May Revision proposal to provide \$6.5 million ongoing General Fund for rapid rehousing, and placeholder trailer bill language defining rapid rehousing, directing campuses to develop agreements with local agencies with rapid rehousing expertise, and allows funding to be spent on rapid rehousing, student assessment, housing-related financial assistance, housing stabilization services, and administrative costs.

7. Approves budget bill language directing CSU to use \$35 million to hire full-time, tenure-track faculty above and beyond the CSU's 11,228 current tenure-track faculty. The CSU shall give consideration to qualified existing lecturers that apply for tenure-track faculty positions. CSU shall use best practices related to equal employment opportunity practices in hiring strategies. The CSU shall report to the Legislature, no later than November 1, 2020, and then beginning November 2021 and every two years thereafter until funds are fully allocated, on how the funding allocated in this provision was spent to increase the number of tenure-track faculty. In addition, the CSU shall provide the Legislature a plan for allocating the new moneys to campuses and their expected hiring amounts by October 2019. Also includes budget bill language directing CSU to use evidence-based Equal Employment Opportunity practices to improve faculty diversity so that it more reflective of the student population.
8. Approves the Governor's Budget proposal to provide \$247 million one-time General Fund to support deferred maintenance and child care center projects, and budget bill language to require the Department of Finance to notify the Joint Legislative Budget Committee regarding the list of projects and the associated costs 30 days prior to allocation of funds. Additionally, adopts supplemental reporting language directing CSU to submit a report by January 1, 2021 to ensure its academic facilities are well maintained. The maintenance plan shall include estimates of annual spending, need, total amount of the backlog, and how much it would cost to eliminate the backlog. Additionally, the report shall provide an update regarding seismic safety issues across campuses, the cost to address it, and a timeline and plan on how to address it.
9. Approves the Governor's Budget proposal to provide \$15 million one-time General Fund to support basic needs partnerships, and adopts budget bill language to require CSU to work with the Department of Social Services to assess the effectiveness of CalFresh and other state agencies in addressing student food and housing insecurity. Requires CSU to report to the Department of Finance and all relevant policy and fiscal committees of the Legislature regarding their findings and recommendations as well as information they learned from their workgroup meetings pursuant to the Welfare and Institutions Code Section 18928 by November 1, 2019. Adopts trailer bill language to require CSU to report by March 1, 2020 on use of funds, including the amount distributed to campuses, amount of funds used to address housing insecurity, amount of funds used to address food insecurity, types of programs the campuses invested in, number of Cal Fresh referrals and other resources to address housing insecurity, and outcomes.

10. Amends the Governor's Budget and May Revision proposals to support a new campus study. The action provides \$4 million one-time General Fund for a new campus study by directing CSU to also consider sites in San Joaquin County, Chula Vista, Palm Desert, and San Mateo County.
11. Approves the May Revision proposal to provide \$740,000 one-time General Fund support the First Star Foster Youth Cohort at CSU Sacramento.
12. Provides \$3 million ongoing and \$5 million one-time from Proposition 63 state administration account to support student mental health services

Staff Recommendation: Approve the CSU Budget Package

6980 CALIFORNIA STUDENT AID COMMISSION

ISSUE 3: CSAC BUDGET PACKAGE

The Student Aid Commission budget package dramatically expands state financial aid, allowing nearly 45,000 more needy California students a Cal Grant, supporting a new summer Cal Grant program and supporting a new program to create work study opportunities for students ineligible for federal work study. The package also includes a new scholarship program to support teachers. The package is displayed in the chart and narrative below:

Main Financial Aid Actions

Issue	Governor's Proposal	Assembly Action
Student-Parent Access Award	\$96.7 M Ongoing	Reject
Increase competitive Cal Grants from 25,750 to 30,000	\$11.6 M Ongoing	Approve
Increase competitive Cal Grants from 30,000 to 70,000	No Proposal	Approve \$91.2 M Ongoing (<i>grows to \$180 M in Year 4</i>)
Summer Cal Grant	No Proposal	Approve \$7.4 M Ongoing (<i>grows to \$10 M in Year 4</i>)
Cal Grant B Service Incentive Grant Program	No Proposal	\$9 M Ongoing
Cal SOAP	No Proposal	\$10 M One-Time
Teacher Service Credit Scholarship Program	\$89.9 M One-Time	Reject
Golden State Teacher Grant Program	No Proposal	Approve \$89.9 M One-Time
Child Savings Accounts	\$50 M one-time for local grants	\$50 M one-time for local grants/state program

1. Approves the Governor's Budget proposal to increase competitive Cal Grants by 4,250 over the current year, and adds 40,000 more competitive Cal Grants. This increases the number of competitive Cal Grant awards to 70,000, providing needy California students with a much greater chance of entering the program.
2. Rejects the Governor's Budget proposal to create a new access award for student parents.

3. Supports a new summer Cal Grant program, which will provide aid to Cal Grant students in the summer without impacting their 4 years of eligibility for the program.
4. Creates the Cal Grant B Service Incentive Grant Program. The program would provide Cal Grant recipients at the three public segments who are not eligible for federal work study programs with non-tuition aid of up to \$1,500 per semester or \$1,000 per quarter for performing at least 150 hours per semester or 100 hours per quarter of community or volunteer service.
5. Approves placeholder trailer bill language to remove statutory language limiting AB 540 students' access to the competitive Cal Grant program. This action will allow AB 540 students the same opportunity at a competitive Cal Grant as other students.
6. Approves placeholder trailer bill language to amend AB 540 to allow students with two years of California high school to qualify for state financial aid.
7. Rejects the May Revise proposal to create the Teacher Service Credit Scholarship Program with \$89.8 million one-time General Fund. Instead establishes the Golden State Teacher Grant Program with the funding. The program will award one-time grant funds of up to \$20,000 to students in educator preparation programs with their commitment to teach in a subject area impacted by the teacher shortage. The student must commit to teach for four years in the high-need subject area after the student receives their teaching credential. The subject areas are: Bilingual Education, Special Education, Science, Technology, Engineering and Math (STEM).
8. Modifies the May Revision proposal to provide \$50 million one-time General Fund support the Child Savings Account grant program at the Student Aid Commission. Approves the program and funding level, but adopts placeholder trailer bill language directing the commission to distribute half of the money to local programs and use half of the money to create a state program in partnership with the state Scholarshare Investment Board.
9. Augments the Cal SOAP program by \$10 million one-time General Fund.

Staff Recommendation: Approve the CSAC Budget Package

This agenda and other publications are available on the Assembly Budget Committee's website at: <https://abgt.assembly.ca.gov/sub2hearingagendas>. You may contact the Committee at (916) 319-2099. This agenda was prepared by Mark Martin.